



Malachite Resources Limited

ABN 86 075 613 268

Suite 1502, Tower B, 799 Pacific Highway, Chatswood NSW 2067
P O Box 5218, West Chatswood NSW 1515
Tel. (02) 9411 6033 Fax (02) 9411 6066

ASX Announcement

Code: MAR

16 October 2009

MALACHITE PLACEMENT RAISES \$300,000

Malachite Resources Limited ("MAR") is pleased to announce that it has agreed, subject to shareholder approval at the Company's Annual General Meeting, to issue 3,508,770 ordinary fully paid shares at an issue price of 8.55 cents in a placement to raise \$300,000.

These shares will be issued to strategic investors who support the strategy of an alliance with Nanyang Mining Resources Investment Pty. Limited ("Nanyang") which the Company announced 15 October 2009. These additional placement funds will contribute to the cash injection being provided by Nanyang for ongoing project expenditure and working capital purposes.

ABOUT MALACHITE – Malachite Resources is a Sydney-based resources company that listed on the ASX in November 2002 and is an active explorer for silver, tin, gold, copper and associated base metals in eastern Australia. As of 7 September 2009 the Company has approximately \$1.7 million in cash and no debt. The Company's key assets are:

CONRAD: The Conrad Silver Project is located 25km south of Inverell in northern NSW. The Company is evaluating the scope to reopen the old Conrad mine, which has had two previous periods of production but has not operated for over 50 years. Drilling at Conrad by Malachite has intersected narrow high grade, massive sulphide, silver-rich base metal veins, like those mined in the past, and wide zones of lower grade, disseminated and stockwork veined, polymetallic mineralisation. At current prices, silver represents 50% of total recoverable metal value in the Conrad ore and tin, copper, lead and zinc make up the balance. The currently defined mineral resource at Conrad contains approximately 10Moz of silver, or 19Moz of silver equivalent. This resource remains open along strike and at depth.

Malachite also has excellent exposure to tin, through its **ELSMORE** Project, located 20km east of Inverell, where the Company is considering the possible development of a paleo-alluvial tin deposit, known as the **Karaula Lead**, at the Newstead Prospect. The Karaula Lead appears to have the potential to support a small surface mining operation, which could be developed with low capital and operating costs and generate useful cash flow for the Company. Work is now underway to better quantify the Karaula Lead deposit, determine an appropriate processing route and assess the economic viability of mining. Encouraging tin results have also recently emerged from the Standon Tin Prospect at the Company's **DELUNGRA** Project, located west of Inverell, where an initial drilling program has just been completed.

The **TOOLOOM GOLD PROJECT** also in northeastern NSW, is based on a forgotten goldfield rediscovered by Malachite. Numerous prospects have been identified, including a significant greenfields discovery called **Phoenix**. The company is systematically exploring Phoenix and the other prospects at Tooloom, which are intrusion-related and have major ore potential. Drill-ready targets have been identified at four prospects within the Tooloom project area and a new diamond drilling program will commence shortly.

For further information please visit the Company's website: www.malachite.com.au or contact:

Garry Lowder
Managing Director
glowder@malachite.com.au
Tel: (02) 9411 6033

Andrew Cooke
Company Secretary
acooke@malachite.com.au
Tel: (02) 9411 6033